

Legislative Fiscal Bureau

Fiscal Note

HF 568 - DHS Institutions, Education Costs (LSB 2016 HV)
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Fiscal Note Version — New
Requested by: Representative Wise

Description

House File 568 provides that the four institutions under the control of the Department of Human Services (DHS), that serve school-aged children, receive educational program funding through the School Aid Formula. Currently, similar private facilities receive funding from the School Aid Formula.

Assumptions

1. The Mental Health Institute at Cherokee has 12 available beds for school-aged children with an average enrollment of ten. An Individual Education Plan (IEP) has been developed for five of the ten enrollees.
2. The Mental Health Institute at Independence has 55 available beds with an average enrollment of 55. This includes the beds classified as Psychiatric Medical Institution for Children (PMIC) beds. An Individual Education Plan has been developed for 40 of the 55 enrollees.
3. The State Training School at Eldora has 189 beds with an average enrollment of 179. An Individual Education Plan has been developed for 89 of the 179 enrollees.
4. The Juvenile Home at Toledo has 100 beds with an average enrollment of 100. An Individual Education Plan has been developed for 50 of the 100 enrollees.
5. Funding for students at the four institutions is currently included in the DHS budget but generally is not included in the School Aid Formula.
6. The FY 2003 average cost per student with an Individual Education Plan, paid to the private juvenile facilities, is \$15,000 per student.
7. The FY 2003 average cost per student without an Individual Education Plan, paid to the private juvenile facilities, is \$4,557 per student.

Fiscal Impact

House File 568 will result in a new net off-the-top allocation from the General Fund appropriation for School Aid of \$2.9 million as follows:

- An increase of \$3.5 million in a new allocation to the Department of Human Services (DHS) for education services at the four affected institutions.
- A decrease of \$600,000 in the allocation to the area education agencies because AEA VI will no longer be required to provide direct education services to the students at the State Training School in Eldora or the Juvenile Home at Toledo.

The new allocation to the DHS from School Aid funds will result in a General Fund reduction of \$3.5 million in the DHS budget.

Since School Aid off-the-top allocations have the effect of reducing the actual funds available to the 371 school districts in Iowa, they will have the option of recouping the funds through increased cash reserve levies (property tax). The maximum impact to property tax is an increase of \$2.9 million. No data exists to determine how many of the school districts will seek to recoup the funds.

Sources

Department of Education
Department of Human Services

/s/ Dennis C Prouty

March 27, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
